



For Immediate Release
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Senate sends MEGA extension legislation to governor

Lansing – After securing approval from colleagues in the House of Representatives, the state Senate today sent legislation reauthorizing the Michigan Economic Growth Authority Act to the governor for approval.

One of the major economic incentives used by Michigan to attract business growth, MEGA has proven to be very successful in bringing new businesses and jobs into Michigan that may not normally have come to this state.

The reauthorization was considered a priority and one of the main programs in the nine-point Republican “Job Opportunities for Business Success” plan. The legislation will ensure that Michigan continues to be competitive in luring new businesses and convincing current Michigan businesses to expand their operations in the state.

“This package means more job opportunities for Michigan residents,” said Sen. Jason Allen (R-Traverse City), co-chair of the Senate joint committee that examined the MEGA program during the past several months. “Reauthorizing MEGA will help retain businesses in Michigan as well as attract new ones, creating more jobs for Michigan residents and opportunities for working families.”

The MEGA program operates by offering qualifying companies Single Business Tax credits if they locate or expand their operations in Michigan. The program was set to expire Dec. 31, 2003, but approval of the package will extend the program until Dec. 31, 2009.

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Reauthorization of this legislation is accomplished through a four-bill package that extends the date, provides additional oversight tools, and improves the credit-granting ability of the program, especially for high-tech businesses.

The creation of a rural business MEGA credit was also established. Up to five MEGA grants would be made available to business in more rural parts of the state, providing that five jobs are created in the first year and 25 by the end of five years.

“Only three MEGA credits have been awarded to northern Michigan businesses since the creation of the MEGA Act in 1995,” Allen said. “Creating rural MEGA credits gives northern Michigan companies a better opportunity to receive these credits and create more jobs.”

Another major change in the program is the creation of distressed business MEGA credits. The distressed business credits aim to provide economic incentives encouraging growth to Michigan businesses that faced dramatic job loss through the recent economic downturn and help spur economic recovery in the state.

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